BMW GROUP CHINA CAPITAL MARKETS DAY 2019.

BIRGIT BOEHM
SENIOR VICE PRESIDENT FINANCE AND GROUP TREASURER OF BMW GROUP.
AGENDA.

UPDATE
Strategy NUMBER ONE > NEXT

FINANCIAL PERFORMANCE
Review and Outlook 2019
BMW GROUP AUTOMOTIVE: BALANCED SALES DISTRIBUTION AND YTD-05/2019
AT LAST YEAR’S HIGH LEVEL WITH A TOTAL OF 1,012,093 VEHICLES (+0.8%).

Sales figures YTD-05/2019. Figures may not add to 100% due to rounding.
*includes Rolls Royce sales figures

Americas 178,618 units 18%
Europe 439,556 units 43%
Mainland China 288,506 units 29%
Asia (w/o China) & Rest of World* 105,413 units 10%

-2.2% -1.6% +15.9% -16.0%
VERY ATTRACTIVE AND FRESH LINE UP OF THE X FAMILY SUPPORTS GROWTH AND PRODUCT MIX.
BMW 8 SERIES COUPÉ, CONVERTIBLE AND GRAN COUPE. THE PINNACLE OF SPORTS PERFORMANCE AND EXCLUSIVITY.
THE NEW ROLLS-ROYCE CULLINAN – EFFORTLESS EVERYWHERE. LUXURY, PERFORMANCE AND USABILITY NOT SEEN BEFORE IN THE SUV MARKET.
BMW GROUP AUTOMOTIVE: BALANCED PRODUCTION & SALES DISTRIBUTION AND SOLID FY-2018 GROWTH OF +1.1% TO A NEW RECORD OF 2,490,664. VEHICLES.

Sales FY-2018
- Americas: 456 units (18%)
- Europe: 1,098 units (44%)
- Mainland China: 634 units (26%)
- Rest of World: 297 units (12%)

Production FY-2018
- Americas: 357 units (14%)
- Europe: 1,565 units (62%)
- Mainland China: 518 units (20%)
- Rest of World: 101 units (4%)

*Rolls Royce is included in “Rest of World”, FY-2018 (figures may not add to 100% due to rounding)
BMW GROUP CONTinues to expand its production network. Decision for new plants & expansions reaffirms perspective for global growth.

San Luis Potosí Plant in Mexico
- The plant will offer production capacity of up to **150,000** units a year.

Spartanburg Plant in USA
- Total production capacity increases to **450,000** units per year.

Debrecen Plant in Hungary
- The plant will offer production capacity of up to **150,000** units a year.

Tiexi / Shenyang Plants in China
- Total production capacity increases to **650,000** units per year.
SETTING THE FOUNDATION FOR OUR BMW / MINI BRANDS IN CHINA.

BMW equity share from 2022

Brilliance Auto

MINI

75%

NEW

Spotlight Automotive Ltd.
ACES ARE A CORE ELEMENT OF STRATEGY NUMBER ONE > NEXT.
OUR FUTURE IS ELECTRIC.
AMBITIOUS TARGETS FOR SALES OF ELECTRIFIED VEHICLES.

17,800
2013

311
2014

62,000
2016

32,000
2015

103,000
2017

142,600
2018

500,000
BY THE END OF 2019 ON THE ROAD

Electrified vehicles = Battery electric vehicles & Plug-in hybrid vehicles

YTD-05/2019
47,900 ELECTRIFIED VEHICLES SOLD
BENEFITS OF BEING AHEAD OF THE CURVE: BMW XEV MARKET SHARES EXCEED THOSE OF “TRADITIONAL” BMW CARS BY FAR.

BMW Infographic

Data source: IHS Market New Registrations (as of most recent report from 04/2019)
OUR CLEAR ROADMAP: AT LEAST 25 ELECTRIFIED MODELS BY 2023, INCLUDING AT LEAST 13 FULLY ELECTRIC CARS.

**Fully electric**
- BMW i3 60 Ah / 22 kWh
- BMW i3 94 Ah / 33 kWh
- BMW i3s 94 Ah / 33 kWh
- MINI BEV**
- BMW i3 94 Ah / 33 kWh
- BMW i3 60 Ah / 22 kWh
- BMW i3, BMW i3s 120 Ah / 42 kWh
- BMW i8 Coupe
- BMW i8 Roadster
- BMW iX3**
- BMW iNEXT
- BMW Vision i4

**Plug-in hybrid**
- BMW X5 xDrive40e*
- BMW 740e, Le, Le xDrive
- BMW X1 xDrive25e
- BMW 330e
- BMW 530Le China*
- BMW 225xe
- MINI Cooper S E Countryman ALL4
- BMW X3 xDrive30e
- BMW X5 xDrive45e
- BMW X1 xDrive25e (CN only)
- BMW 530Le (CN only)
- BMW 530e
- BMW 530e
- BMW 530e
- BMW 745e, Le, Le xDrive
- BMW 225xe
- BMW 530e
- BMW 530e
- BMW 330e
- BMW 330e Touring

Schematic illustration of future launch dates
* Not in series production any more
** MINI Battery Electric Vehicle & BMW iX3 Vision are Concept Cars
THIS ALLOWS US TO SET UP OUR PLANTS FLEXIBLY AND TO AVOID A SEPARATION BETWEEN COMBUSTION AND ELECTRIC POWERTRAINS.

Common Architecture for any Type of drivetrain.

Development of flexible architectures for cars with combustion engines, plug-in hybrids, and pure-electric vehicles.

Enablement of the plants for all types of powertrains

Flexibility and utilization

- Flowing technological transition possible
- Exchange Flexibility is guaranteed
- Sustainable future-oriented jobs
THE BMW CONCEPT iX3. ELECTRIC MOBILITY ARRIVES AT THE CORE OF BMW.
THE BMW VISION iNEXT. FUTURE FOCUSED. 
iNEXT – THE BUILDING BLOCKS FOR THE FUTURE.
THE DEVELOPMENT OF TODAY’S ASSISTED FUNCTIONS TO FULL AUTOMATION EQUALS A TECHNOLOGICAL QUANTUM LEAP.

- Basis for HAD & FAD -

<table>
<thead>
<tr>
<th>Level</th>
<th>Task of Driver</th>
<th>Task of the Car</th>
</tr>
</thead>
<tbody>
<tr>
<td>L0</td>
<td>Hands On, Eyes On</td>
<td>No active assistance system</td>
</tr>
<tr>
<td>L1</td>
<td>Hands On, Eyes On</td>
<td>Longitudinal or traverse guide</td>
</tr>
<tr>
<td>L2</td>
<td>Hands Temp. Off, Eyes Temp. Off</td>
<td>Traffic control</td>
</tr>
<tr>
<td>L3</td>
<td>Hands Off, Eyes Off</td>
<td>Awareness for takeover</td>
</tr>
<tr>
<td>L4</td>
<td>Hands Off, Mind Off</td>
<td>No driver intervention</td>
</tr>
<tr>
<td>L5</td>
<td>Hands Off, Driver Off</td>
<td>No driver</td>
</tr>
</tbody>
</table>

Levels according to SAE (Society of Automotive Engineers) J3016
THE BMW GROUP USES INDUSTRY AND CROSS-INDUSTRY COOPERATION TO PREPARE ITSELF FOR FUTURE TECHNOLOGIES AND BUSINESS OPPORTUNITIES.

### Electrification
- Flexible vehicle architecture
- Battery cell
- Research & assembly
- Electric engine

### Autonomous driving
- Vehicle Integration, Motion Control
- Sensors and AI / Environment model
- HD-map backend
- MoU with Daimler
- R&D for next technology level

### Mobility services
- BMW 360° ELECTRIC
- Home and public charging services and products
- YOUR NOW Joint Venture
- MoU with Daimler
- R&D for next technology level

**Core BMW Partnerships/Cooperations**

- BMW
- Intel
- Aptiv
- FCA
- Continental
- Magna
- Northvolt
- IONITY
- Umicore
- Samsung
- CATL
- HERE
- MoU with Daimler
- R&D for next technology level

**Joint Venture**
- Electric engine
- MoU with Daimler
- R&D for next technology level
YOUR NOW JV. THE "MOBILITY POWERHOUSE" WITH A SIGNIFICANT END CUSTOMER BASE AND COVERAGE WORLDWIDE.

<table>
<thead>
<tr>
<th>Customer ** in millions</th>
<th>Q1 2019 overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>DriveNow</td>
<td>&gt;4</td>
</tr>
<tr>
<td>mytaxi</td>
<td>24.4</td>
</tr>
<tr>
<td>kapten</td>
<td>6.7</td>
</tr>
<tr>
<td>ReachNow</td>
<td>30.9*</td>
</tr>
<tr>
<td>ParkNow</td>
<td>0.02</td>
</tr>
<tr>
<td>Overall</td>
<td>&gt;66</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Interactions in millions</th>
<th>Q1 2019 overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>DriveNow</td>
<td>9.2</td>
</tr>
<tr>
<td>mytaxi</td>
<td>53.2</td>
</tr>
<tr>
<td>kapten</td>
<td>7.7</td>
</tr>
<tr>
<td>ReachNow</td>
<td>54.1*</td>
</tr>
<tr>
<td>ParkNow</td>
<td>0.06</td>
</tr>
<tr>
<td>Overall</td>
<td>124.2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Cities **</th>
<th>Q1 2019 overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>DriveNow</td>
<td>30</td>
</tr>
<tr>
<td>mytaxi</td>
<td>&gt;110</td>
</tr>
<tr>
<td>kapten</td>
<td>20</td>
</tr>
<tr>
<td>ReachNow</td>
<td>&gt;1,200*</td>
</tr>
<tr>
<td>ParkNow</td>
<td>n/a</td>
</tr>
<tr>
<td>Overall</td>
<td>&gt;1,200</td>
</tr>
</tbody>
</table>

* For the U.S. entity of PARKNOW, the March 2019 figures are estimated.
** Partially, customer data is aggregated and thus, data summation is w/o the consideration of possible redundancies.
*** Monthly gross merchandise value run rate is based on the previous month's figure.
UPDATE
Strategy NUMBER ONE > NEXT

FINANCIAL PERFORMANCE
Review and Outlook 2019
EXTERNAL CONDITIONS ARE CHANGING FASTER THAN EVER. THE ONLY CONSTANT WE CAN RELY ON IS OUR STRATEGIC FOCUS.

In volatile times, **profitability, flexibility, and a consistent strategic direction** are key.
FY-2018 RESULTS.
SETTING HIGH STANDARDS IN CHALLENGING ENVIRONMENT.

Group EBIT- Margin : 9.9%

<table>
<thead>
<tr>
<th>AUTOMOTIVE</th>
<th>FINANCIAL SERVICES</th>
<th>MOTORCYCLES</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT-margin at 7.2%</td>
<td>RoE &gt;14%</td>
<td>Record year with &gt;165k sold vehicles</td>
</tr>
<tr>
<td>&gt; 2.5m vehicles sold</td>
<td>50% Penetration Rate</td>
<td>EBIT-margin at 8.1%</td>
</tr>
<tr>
<td></td>
<td>Credit Loss Ratio &lt;0.3%</td>
<td></td>
</tr>
</tbody>
</table>
**R&D RATIO** 2018 INCREASES TO 7.1%, AS EXPECTED.

<table>
<thead>
<tr>
<th>Year</th>
<th>R&amp;D Ratio (HGB)</th>
<th>Target: 5%-5.5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>5.5%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>6.2%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>7.1%</td>
<td></td>
</tr>
</tbody>
</table>

**R&D expenditure (HGB)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>[in m€]</td>
<td>5,164</td>
<td>6,108</td>
<td>6,890</td>
</tr>
</tbody>
</table>

**GROUP CAPITAL EXPENDITURE UP BY ALMOST ONE BILLION EUROS.**

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditure*</th>
<th>Capex Ratio</th>
<th>Target: &lt;5%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>3,731</td>
<td>4.2%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>4,688</td>
<td>4.8%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>5,029</td>
<td>5.2%</td>
<td></td>
</tr>
</tbody>
</table>

* Excluding capitalised development costs
HIGH GROUP LIQUIDITY ENABLES US TO CHART OUR OWN COURSE.

FREE CASH FLOW IN AUTOMOTIVE SEGMENT REMAINS STRONG, DESPITE SIGNIFICANTLY HIGHER INVESTMENTS.

Liquidity [in m€]

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>7,880</td>
<td>9,039</td>
<td>10,979</td>
</tr>
<tr>
<td>Marketable securities</td>
<td>5,287</td>
<td>5,447</td>
<td>5,316</td>
</tr>
<tr>
<td>Total</td>
<td>13,167</td>
<td>14,486</td>
<td>16,295</td>
</tr>
</tbody>
</table>

Free Cash Flow (Automotive) [in m€]

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash flow</td>
<td>5,792</td>
<td>4,459</td>
<td>2,713</td>
</tr>
<tr>
<td>Target: &gt;3bn</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Definition: Free cash flow corresponds to the cash inflow from operating activities of the Automobiles segment less the cash outflow for investing activities of the Automobiles segment adjusted for net investment in marketable securities and term deposits.
OUTLOOK 2019.
SETTING HIGH STANDARDS IN CHALLENGING ENVIRONMENT.

**AUTOMOTIVE**
Slight increase in deliveries.

**MOTORCYCLES**
Solid increase in deliveries.

**FINANCIAL SERVICES**
Return on Equity on par with previous year’s level.

**BMW GROUP**
Significant decrease in Group earnings before tax.

Size of workforce at year-end on par with previous year’s level.

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*Without the effect of the provision for the ongoing antitrust proceedings amounting to approx. € 1.4 billion, the target range for the EBIT margin of 6-8% has not changed.
PERFORMANCE > NEXT.
IMPORTANT DECISIONS ALREADY BEING IMPLEMENTED.

Customer and Sales
Improvement in sales performance and optimisation of customer interface.

Vehicle
Intelligent product variation with focus on customer benefit and significant cost reduction.

Process and Structure
Accelerate Idea-to-Offer Process; optimisation of processes and organisational structure.

06/2017

now

~EUR 12 bn

New Vehicle Generations

2022

2030

~EUR 12 bn
WE ARE NUMBER ONE.
WE INSPIRE PEOPLE ON THE MOVE: WE SHAPE TOMORROW’S INDIVIDUAL PREMIUM MOBILITY.

– Full commitment to its goal of leading the transformation of the industry.

– Continued strive for sustained high profitability as the foundation of its Strategy NUMBER ONE > NEXT.

– Leverage of opportunities in the global premium markets.

– Flexibility to deal with a challenging and volatile environment.